

**Congress of the United States**  
**Washington, DC 20515**

December 21, 2020

The Honorable Dr. Mark A. Calabria  
Director Federal Housing Finance Administration  
400 7th Street, SW  
Washington, DC 20219

Dear Director Calabria,

We would like to thank you for your attention to the issue of Federal Home Loan Bank, (FHLB) membership for captive insurance companies, including the Request for Input (RFI) released earlier this year.

We believe that establishing a framework for captive insurance companies to obtain permanent FHLB membership, while ensuring that current FHLB members are not disadvantaged due to the date of their initial membership, would help supply private capital in housing markets and enable more affordable access to homeownership. To that end, we are interested in finding a solution where companies that meet appropriate capital requirements and are aligned with the mission of the FHLB System may establish and guarantee insurance company subsidiaries as FHLB members. We look to FHFA's expertise for establishing specific capital standards and reporting requirements that would further the mission of the FHLB System without posing material risk.

Consequently, we have introduced H.R. 8872, the Transparency in Federal Home Loan Bank Membership Act of 2020, which does precisely that. This bill aims to enable captive insurance companies to apply for membership in the FHLB once they meet additional membership criteria and imposes quarterly reporting requirements. The bill also requests that an impact study on expanded FHLB membership be conducted.

Finally, we want to note that, we are committed to working with the FHFA on a solution that enhances the American mortgage market and furthers the mission of the FHLB System. We would welcome a productive dialogue with you, on a FHLB resolution which incorporates appropriate capital standards and establishes mission alignment that can be passed legislatively and implemented administratively.

Thank you for your careful consideration into this matter.

Sincerely,



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Trey Hollingsworth  
Member of Congress



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Denny Heck  
Member of Congress